

EMPLOYMENT AND POVERTY ALLEVIATION be pleased to state:

- (a) the number of houses to be constructed annually in urban areas;
- (b) how finances will be arranged; and
- (c) the programme of housing to be taken up in Andhra Pradesh with Central assistance?

THE MINISTER OF URBAN EMPLOYMENT AND POVERTY ALLEVIATION (SHRI SUKHDEV SINGH DHINDSA): (a) and (b) Housing is a State subject. However, Government of India has launched a programme for construction of additional 20 lakh houses every year. Out of this, 13 lakh houses will be constructed in the rural areas and 7 lakh houses will be constructed in the urban areas. The programme is to be implemented by the State Governments utilising their own resources and loans from various agencies including Housing & Urban Development Corporation Ltd. (HUDCO). The NHB through the housing finance companies under its umbrella and the NCHF through the Apex State Cooperative Housing Federation are also mobilising resources for achieving these targets.

(c) There is no Central Sector Scheme for urban housing. However, Housing & Urban Development Corporation Ltd. (HUDCO), a techno-financing Central PSU provides financial assistance to the State Govt. agencies for undertaking housing and related activities.

In Andhra Pradesh, cumulatively as on 31.01.2000, HUDCO has sanctioned 1887 schemes at a project cost of Rs. 2678.47 crore with HUDCO loan component of Rs. 1668.81 crore. This has facilitated construction of 1651882 dwelling units including 173484 upgraded units and development of 4866 plots.

Reduction in interest rate on Housing Loans

442. **SHRI RAJNATH SINGH 'SURYA':** Will the Minister of URBAN EMPLOYMENT AND POVERTY ALLEVIATION be pleased to state:

- (a) whether Government are considering to reduce interest rates on housing loans to individuals;
- (b) if so, the details thereof; and
- (c) what are other concessions being given to promote housing activities?

THE MINISTER OF URBAN EMPLOYMENT AND POVERTY ALLEVIATION (SHRI SUKHDEV SINGH DHINDSA): (a) and (b) Housing

Finance is channelled to individuals through 29 Housing Finance Institutions regulated by National Housing Bank (NHB). The various HFIs are free to decide their own lending rates keeping in view their cost of borrowings, demand for funds and other market related factors and do not need Government's or N.H.B.'s permission to enhance or reduce these rates. The Housing and Urban Development Corporation Limited (HUDCO), a PSU under this Ministry has launched retail financing scheme entitled "HUDCO NIWAS" in March '99 to provide direct loans to individuals for house construction. A comparative statement indicating the interest rates on various loan slabs at the time of introduction of the scheme and the ones now existing is given in the enclosed statement. (*See below*).

(c) During 1999-2000 the following fiscal concessions have been granted:—

1. Interest on loan for self occupied property upto a ceiling of Rs. 75,000/- exempted from tax. (Section 24 of IT Act)
2. The benefits available under Section 43(D) of IT Act extended to Housing Finance Company (HFC) also. Income of HFC will be taxable on actual basis rather than on accrual basis.
3. The Reserve Bank of India (RBI) has advised the Scheduled Commercial Banks to lend upto 3% of their annual incremental deposits for housing sector as compared to the existing 1.5% and that the individuals housing loans upto Rs. 10 lacs extended by them will form part of the priority sector lending as compared to the earlier limit of Rs. 5 lacs.
4. The foreclosure laws in the housing sector proposed to be suitably simplified through amendments to the National Housing Bank (NHB) Act.
5. The rate of depreciation on new Dwelling Units purchased by the corporate sector for its employees has been increased from 20% to 40%.
6. National Housing Bank propose to start a housing scheme for small towns and it will provide for loans at reduced interest rate for small borrowers.
7. Tax free municipal bonds for a limited amount will be permitted.

8. Various concessions under Central Excise and Customs Tariff Act have been granted with a view to promote the use of cost effective energy efficient and eco-friendly building materials based on agro-industrial waste.

Statement

Loan Amounts (Rs.)	Interest rate (% P.A.) (on monthly rest basis) (current)	Interest rate (% P.A.) (on monthly rest basis) (As on 9.3.99)
Upto 50,000/-	11.5%	12.00%
50,001 - 2,00,000	12.75%	13.50%
2,00,001 - 5,00,000	13.50%	14.50%
5,00,001 - 10,00,000	13.75%	15.00%
10,00,001 - 15,00,000	14.50%	15.50%
15,00,001 - 25,00,000	14.75%	—

Tax concession on financial contribution towards sports infrastructure

443. SHRI SURESH KALMADI: Will the Minister of YOUTH AFFAIRS AND SPORTS be pleased to state:

(a) whether Government propose to give tax concession to private individuals and corporate bodies on their financial contributions towards sports and sports infrastructure in the country; and

(b) if so, whether necessary amendments in Income Tax rules are being proposed?

THE MINISTER OF YOUTH AFFAIRS AND SPORTS (SHRI SUKHDEV SINGH DHINDSA): (a) and (b) Under the Tax Concession Scheme 'Tax Concession for Private Investment in Promotion of Sports' under Section 35AC of the Income Tax Act, tax incentive has been provided allowing full deduction of the entire amount paid by a tax-payer carrying on business or profession for financing projects or schemes among other things for promoting sports.

As such, all investments made for sports infrastructure are already included in the Income Tax Rules.